



Michael Toner
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July 14, 2010

**CONFIDENTIAL
VIA ELECTRONIC MAIL**

Joseph F. Stoltz
Assistant Staff Director
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: Republican Party of Minnesota Response to Interim Audit Report (January 1, 2007-December 31, 2008)

Dear Mr. Stoltz:

I am in receipt of your May 25, 2010 letter to David Sturrock enclosing the Audit Division's interim audit report of the Republican Party of Minnesota ("RPM") for the 2007-2008 election cycle. RPM is filing this response to the interim audit report in accordance with an extension of time granted on June 14, 2010.

RPM provides the following additional information in response to the recommendations contained in the interim audit report.

I. Amended Reports

The interim audit report appears to use data from RPM's original reports or from amended reports that are older than the most recent amendment. RPM has filed amendments to its reports which made a number of changes that impact the findings in the interim audit report.

We understand based on correspondence with the Audit Division that findings in audit reports generally do not reflect changes made in amendments filed after an audit notification is sent. However, as is detailed below, some changes to RPM's reports were made on amendments that were filed with the Commission prior to the audit notification. Further, the Audit Division correspondence indicated that the final audit report would also note that amendments have already been filed to correct

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certain issues when amendments were filed after the date of the audit notification. As is detailed below, RPM requests that the Audit Division adjust the final audit report accordingly to reflect amendments already filed.

A. Unreported Transfers

The interim audit report notes on Page 6 that RPM failed to disclose \$204,166 in transfers from nonfederal accounts in 2008. Of this amount, \$202,981.67 was disclosed on amended reports as outlined below.

The following transfers to RPM's federal account were first disclosed¹ on an amendment to RPM's 2008 April Monthly report filed on May 30, 2008, which was prior to the issuance of the audit notification letter.²

Transfer Amount	Transfer Date	FIC Image Number (May 30, 2008 Amendment)
\$22,461.00	3/17/08	28991203277
\$29,911.00	3/18/08	28991203277
\$23,440.25	3/24/08	28991203277
\$68,658.06	3/25/08	28991203278
\$32,057.00	3/27/08	28991203278

The following transfers were disclosed as one transaction on an amendment to RPM's 2008 July Monthly report filed on September 21, 2009.

Transfer Amount	Transfer Date	FIC Image Number (September 21, 2009 Amendment)
\$4,494.37	6/10/08	29934553760
\$5,205.63	6/10/08	29934553760
\$16,754.36	6/10/08	29934553760

¹ These transfers were also disclosed on all subsequent amendments to RPM's 2008 April Monthly Report.

² The audit notification letter for the audit of RPM's 2007-2008 activity is dated March 23, 2009.

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B. August/September 2008 Cash Discrepancy

The interim audit report indicates in footnote 2 that there was a discrepancy between the closing cash-on-hand on the 2008 August Monthly report and the beginning cash-on-hand of the 2008 September Monthly report. This issue was corrected by RPM on amended reports filed on September 21, 2009.

C. December 2008 Cash Discrepancy

The reported cash-on-hand as of December 31, 2008 noted on Page 6 of the interim audit report does not reflect the cash-on-hand disclosed on RPM's most recent amendment to that report. If the ending cash-on-hand disclosed in RPM's most recent amendment to the 2008 Year End report is used, the cash-on-hand understatement as of December 31, 2008 is actually \$84,607.92 rather than \$174,238.

II. Interim Audit Report Recommendations

In addition to the issues noted above which were corrected in amendments filed by RPM previously, RPM is taking a number of additional steps to comply with the recommendations of the interim audit report. The interim audit report's recommendations, along with RPM's response, are provided in greater detail below.

A. Amendments to 2007 and 2008 Reports

RPM transferred \$50,000 from a federal account to a non-federal account on October 18, 2007, then returned the funds to the federal account on October 24, 2007. The interim audit report correctly notes that these transfers were not reported. RPM is in the process of drafting an amendment to its 2007 November Monthly Report. An amendment to disclose these transfers will be filed no later than July 27, 2010.

Transfers made in 2008 that are noted in the interim audit report were disclosed by RPM on amended reports as was outlined above.

As was noted above, the interim audit report indicates that RPM failed to disclose \$204,166 in transfers from nonfederal accounts in 2008, but of that amount, \$202,981.67 was disclosed on amended reports. RPM's audit adjustment will account for the additional \$1,184.33 in transfers as well as the \$1,115 in bank fees that the interim audit report indicates were not reported in 2007.

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B. Reconciliation of Cash Balance

The interim audit report indicates that RPM should reconcile the cash balance of its most recent report to determine whether any subsequent discrepancies impact the \$174,238 audit adjustment recommended by the Audit Division. As was noted above, based on amendments to 2008 reports, RPM has calculated a discrepancy of only \$84,607.92.

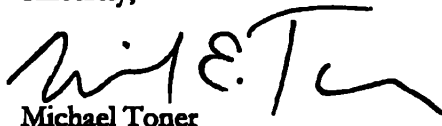
RPM has determined that the amount of the discrepancy as of May 31, 2010 is \$9,821.13. RPM filed an amendment to its 2010 June Monthly Report to include an audit adjustment of \$9,821.13 on July 14, 2010.

C. Audit Adjustment

The interim audit report recommends that RPM amend its most recent report to correct the cash-on-hand balance. As was noted above, RPM amended its 2010 June Monthly Report to include an audit adjustment of \$9,821.13 on July 14, 2010.

If you have any questions regarding RPM's response to the interim audit report, please do not hesitate to contact me at (202) 508-6175 or Karen Trainer at (202) 508-6179.

Sincerely,



Michael Toner

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July 28, 2010

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VIA ELECTRONIC MAIL**

Joseph F. Stoltz
Assistant Staff Director
Federal Election Commission
999 E Street, NW
Washington, DC 20463

Re: Republican Party of Minnesota Response to Interim Audit Report (January 1, 2007-December 31, 2008)

Dear Mr. Stoltz:

The Republican Party of Minnesota ("RPM") is filing this additional response to your May 25, 2010 letter to David Sturrock concerning the Audit Division's interim audit report of RPM for the 2007-2008 election cycle.

As was noted in RPM's July 14, 2010 response to the interim audit report, RPM transferred \$50,000 from a federal account to a non-federal account on October 18, 2007, then returned the funds to the federal account on October 24, 2007. The interim audit report correctly noted that these transfers were not reported. On July 27, 2010, RPM duly filed an amendment to its 2007 November Monthly report to disclose these transfers. RPM also filed amendments the same day to its 2007 December Monthly and 2007 Year End reports to carry forward corrected year-to-date totals.

If you have any questions regarding RPM's response to the interim audit report, please do not hesitate to contact me at (202) 508-6175 or Karen Trainer at (202) 508-6179.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Toner".

Michael E. Toner

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